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December 12, 2006

RE: Application No. 911-002 and Application No. 911-027

Nebraska Public Service Commission
C/O Joan Raffety
300 The Atrium
1200 N Street
Lincoln, NE 68509-04927

Dear Commission Members,

We would like to take this opportunity to say "Thank You!" and, in our opinion, it's way past time, for considering helping us dig out of the financial hole we dug to provide Wireless 911 Phase I and Phase II service to our citizens as well as to the people who pass through our county.

Now with that said, we will comment on the proposals before the Commission. Although our records are somewhat incomplete, we believe that in 2001, we averaged \$1,795 a month on a \$.50 per month charge on landlines and in 2002, this same \$.50 per phone generated an average of \$1,737 per month. With these lesser amounts of income funding landline only expenses, we were able to save money each month as well as having a balance in the tens of thousands of dollars in our 911 Account, even though we had gone in debt to put in equipment for Phase I & II Wireless Service. Late in 2002 additional costs were incurred by us, to have road signs installed, mapping upgrades done and among other things, a router service for landlines had to be added to our system at a recurring monthly cost. All of this further added to our debt. At the end of 2002, we doubled our charge per line to \$1.00 and expected to generate an income doubling the \$1,737 to \$3,474 per month in 2003. We used our reserves to pay down some of the loan debt requirement and hoped to have about \$10,000 in reserve. It took 3 months before this increase took place. The increased monthly costs resulted in our reserves being cut to less than \$2,000.00. The cash flow was even worse with monthly revenue in 2003 averaging only \$3,393 per month instead of the \$3,474 anticipated. In 2004 this dropped to \$3,192, \$3,031 in 2005, and \$2,716 thus far in 2006.

If we take the 2002 number of 3474 phones and the 2006 number of 2716, that is 758 phones lost and at \$1.00 per phone we lose \$758 per month of revenue or about \$9,096 per year. Population figures for these two years are not readily available to us. If we use your figure of our population going down by 159 over this period and if our average at the time was 1 landline phone per 2 people of the population, then that amounts to 80 phones. This results in \$960 per year being lost due to declining population. Subtracting that number from the \$9,096 means we lose about \$8,135 per year.

The number you generated in your attachment of yearly revenue lost after population loss reduction of \$2,181 per year is on a \$.50 per month charge and not the dollar we charge. As you can see, by our best figures, if you double this \$2,181 to \$4,362, you are still almost 1/2 of what our numbers show.

The result of this is that our 911 account being just above the "red". The \$8,000 you awarded us recently for 1/2 our mapping costs and a loan being paid off last month, will allow us to make payments on our remaining loan for this fiscal year and still be in the "black" barring some unknown expense.

WE ARE BOTH PROUD AND HAPPY TO ANNOUNCE THAT WE NOW HAVE PHASE II SERVICE AT OUR 911 CENTER. THIS WILL BE ANNOUNCED IN A NEWS CONFERENCE BEING HELD THIS VERY DAY!

We strongly believe that the State Public Service Commission should use the surcharge on wireless phones to help us with this revenue loss. Whether you use your numbers or numbers we submit for this process, we are in full support of wireless generated money helping to pay for some of our recurring costs. A lot of our expenses incurred while improving parts of the landline service were in order to do the wireless service. A large share of the equipment upgrades are being used for both. In recent Phase II testing it was discovered that our mapping system, which works fine for our landline system, has to manually have the longitude and latitude entered in order to map Phase II calls. We suspect software or whatever to automatically do this will probably become one of our "unknown expenses".

If raising the surcharge to \$.70 per month is necessary to generate the money necessary to cover some or all of the local lost revenue, please do it! With computer generated voice messaging becoming more used, the locals could incur more expenses. We don't have the ability to generate the needed revenue on this part of our 911 service without your help.

Please make the process for obtaining this money a simple one time thing for applying for the monies. Small counties do not have the manpower, nor can they afford additional manpower, to do monthly billing to the state or other ongoing accounting measures.

Respectfully,
Clay County Board of Supervisors

Kendall Ham
Ivan Fintel
Rollo Gass
Gene Arnold
Gerald Schmidt
Michael Anderson